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Date: March 7, 2014

From: San Luis Valley Rural Electric Cooperative, Inc.
Loren H. Howard, Chief Executive Officer

To: Federal Communications Commission (FCC) Staff

Subject: Expression of Interest – Rural Trials
Docket No. 10-90

Background

San Luis Valley Rural Electric Cooperative, Inc. (SLVREC) is a member owned electric cooperative located in the south central part of Colorado. SLVREC started in 1937 to provide electricity to rural residents, primarily ranchers and farmers. Today, SLVREC provides cost effective electric service to over 6000 residential homes and 1100 businesses. In 2012, SLVREC started actively investigating the installation of a fiber optics network to support the telecommunication needs of its electric distribution system and to provide broadband, voice and cable TV services via a Fiber to the Premise (FTTP) to underserved areas of the San Luis Valley (Valley).

Geographic Territory –

The electric service territory of SLVREC includes all or portions of seven (7) counties in south central Colorado – Alamosa, Saguache, Rio Grande, Costilla, Conejos, Mineral and Hinsdale. The service territory covers over 3000 square miles of mostly rural area but also serves several small towns (<2000 residents) including South Fork, Creede, La Garita, Jarosa, Mesita, Capulin, Villa Grove and Crestone. The service territory included in SLVREC's FTTP project includes the entire area of the seven counties.

List of Anchor Institutions

Schools:

Alamosa

- Elementary School
- Ortega Middle School
- High School
- Open High School

South Conejos

- Guadalupe Elementary School
- High School

North Conejos School District - Centauri

- La Jara Elementary School
- Manassa Elementary School
- Middle School

Centennial (San Luis)

- Haskin Elementary
- High School

- High School
- Second Chance High School

Creede

- K-12

Del Norte

- Elementary School
- Middle School
- High School

Mountain Valley (Saguache)

- K-12

Sangre de Cristo

- Pre-K – 12

Crestone Charter School

- K – 12

Monte Vista

- Bill Metz Elementary
- Marsh Elementary
- Middle School
- High School
- Byron Syring-Delta Center
- Lutheran Church School

Sanford Public School

- Pre-K – 12

Sargent

- Preschool
- Elementary School
- Middle/High School

Libraries:

Baca Grande
Carnegie Public
Conejos County
Del Norte Public
Mineral County

Hospitals:

Rio Grande Hospital
San Luis Valley Health Regional Medical Center
Conejos County

Governments:

City of Creede	Town of Crestone
Town of South Fork	Town of Antonito
Town of Del Norte	Town of San Luis
City of Monte Vista	Town of Hooper
City of Alamosa	Town of Manassa
Town of Center	Town of Sanford
Town of Saguache	Town of Romeo
Town of La Jara	

Proposed technology

SLVREC has conducted initial market studies, technology option evaluations and consumer demand surveys in order to assess the business case for the deployment of a FTTP project. Financial models with return on investment projections have been prepared. As a result of these feasibility studies, SLVREC has commenced construction of the fiber optic backbone that will extend throughout the seven counties currently served by

SLVREC. This initial backbone is under construction utilizing 96 or 144 count ADSS fiber cable and will deploy approximately 300 miles of cable to 25 locations located through the San Luis Valley. The distribution locations will be initially connected in four rings in order to provide fault tolerance. The electronic equipment at each location will be connected at 10Gbps.

Retail service offerings will initially include voice and broadband services. IP based television may be offered if consumer demand is sufficient. Broadband Internet services will be offered at a minimum speed of 10 Mbps symmetric up to 1Gbps symmetric.

State and/or Local or Tribal Government Participation in and/or Support for Project

At this time, there is no participation in the fiber deployment by any state, local or tribal governments. The potential of providing broadband, phone and cable TV services has been presented to several town or county governments for their information and input.

Existing Providers

The availability of broadband and phone service varies throughout the seven counties served by SLVREC. CenturyLink provides phone service to many, if not most, locations in the San Luis Valley and surrounding mountains. Landline phone service is also provided by Blanca Telephone in the eastern portions of the Valley. Cellular voice and data service is offered in various portions of the San Luis Valley by Verizon, AT&T and Viaero. The availability of Internet service is significantly more limited. The current predominant delivery channels are satellite (33%) and landline DSL (41%). Cable broadband service available to current SLVREC members is limited (5%).

Project Timeline

The fiber optic backbone utilizing either 96 or 144 count ADSS fiber is currently under construction. More than 30 miles of fiber optic backbone have been constructed since April of 2013. More than 100 miles of the backbone is scheduled for installation in 2014 with the remaining backbone construction in 2015. Retail service offerings of broadband Internet and phone will follow the phased deployment of the fiber backbone. The first retail service offerings are planned for June 2014 in the western portion of SLVREC's service territory.

Scalability

The current FTTP project is a Fiber to the Premise design, which is designed to provide gigabit broadband service to the premise. The initial design of the fiber backbone connecting the 25 service locations includes 4 redundant 10 Gbps rings. These redundant rings are scalable to 40 Gbps.

Total Utility Investment

The total capital investment for the backbone system materials including fiber optic cable, electronic equipment and other miscellaneous materials is \$2,662,000. The total capital investment in materials to deploy the FTTP system is \$4,180,000. Construction labor to install the backbone system is estimated at \$1,800,000 based on the initial construction of 20% of the backbone. Construction labor to install the FTTP system is estimated at \$6,400,000.

One Time Capital Infrastructure Investment Needed

In order to meet a desired return on investment, a \$3,500,000 capital infrastructure investment is needed.

Total Project Cost

The total project cost including core electronics, fiber cable, engineering, construction labor, field installation equipment and vehicles is \$15,042,000.